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Demand more openness with movie money

Michigan taxpayers are shelling out a lot of money — nearly \$50 million last year and nearly twice that this year — as incentives designed to attract the film industry into investing in this state.

It's not only natural to ask if the program is working; it's essential.

Unfortunately, the state is not forthcoming with information about the incentives. Citing privacy needs and the wording in last year's hastily approved legislation, officials from the Michigan Film Office and the Michigan Economic Development Corp. have held tightly to detailed information.

What has been released leaves more questions than answers. For instance, our newspaper's analysis of film office data shows that the producers of "High School," the movie shot in the Howell area last year, claimed to spend more than \$15 million in Michigan. For that, they apparently received a rebate check from the state for about \$6 million. (The state won't confirm the figure.)

Of that \$15 million, about \$3.6 million was for goods and services. The rest, about \$11.6 million, was for payroll. While the film claims it hired 140 Michigan residents for part-time work, the \$11.6 million figure includes wages paid to out-of-state employees (such as big-name actors) while they were working in Michigan. If you do the math, it stands to reason that the bulk of the \$11.6 million did not go to Michigan residents.

We shouldn't have to do the math, or make guesses, or do logical estimates. The state should be forthcoming with this information.

Keeping this information a secret only suggests that there is something to hide. It's also arrogant. This is taxpayer money, and the state is saying, simply: Give us your money; it's not your business how we spend it.

How secretive is the state? Originally, it wouldn't even release how much spending was claimed by each movie. Even now, it won't identify the size of the taxpayer-funded rebate checks sent to each production.

Although state Sen. Nancy Cassis, R-Novi, is showing some signs of backbone, it is disappointing to see that lawmakers are mostly ignoring their basic oversight responsibility. It's as if they passed the law with stars in their eyes last year and can't be bothered with basic follow-up this year.

At a minimum, lawmakers must demand:

- Applications for all tax credits should be public documents. This is the justification for granting the rebate. It should be open to scrutiny and results should be compared to claims.
- The amount of taxpayer dollars spent as rebates must be publicly broken down by project. Anything less is an outrageous violation of public government that invites potential corruption.
- Expenditures must be broken down by vendors. There must be a public accounting that can be verified. The public has access as to how townships, schools and cities spend their money — vendor by vendor. Why would we expect any less from out-of-state companies that are getting 40 percent of their expenses underwritten by taxpayers?
- Payroll records must be broken down as specifically as possible. At a minimum, payroll spent per production on Michigan residents must be reported separately from out-of-state payroll.

The incentives could be a good deal for Michigan. A proposed film studio in Allen Park, for instance, promises up to 3,500 jobs.

But there needs to be some way to measure the plan's effectiveness. Without more openness, it's as if taxpayer money just disappears in moviemaking magic.
